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International Narcotics

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This publication is prepared by analysts in the Directorate of Intelligence for specialists in the Washington community who are interested in international narcotics matters. It will be published on an ad hoc basis, but not more frequently than once each week. Comments and queries are welcome and should be directed to the author of the individual article.

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Burma-Thailand: Mutual Suspicions Make Joint Anti-Narcotics Effort Unlikely

Thai annoyance over the incursion into Thailand last month of Burmese troops engaged in an anti-narcotics operation reflects the mutual suspicions that have prevented any joint Thai-Burmese suppression efforts.

Five companies of Burmese army troops penetrated about five miles into Thailand's northernmost province during an operation against Shan United Army (SUA) refineries along the border. Twelve Burmese were killed and four wounded in a Shan ambush. The SUA was in a position to prevent a Burmese withdrawal and inflict greater casualties, but the Thai Border Patrol Police interceded to persuade the SUA to break contact, thus clearing the way for the Burmese to leave Thai territory.

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Thai sensitivities were further aroused by the fact that the Burmese flew two US-supplied helicopters into Thai territory to evacuate their dead and wounded.

In the light of Rangoon's now-established commitment to suppression efforts and recent more vigorous Thai action against traffickers, regular liaison between the two countries could conceivably seriously disrupt major narcotics-running routes across the Thai-Burmese border. Such cooperation continues to be blocked by mutual suspicions, however.

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Although the recent visit to Rangoon of the Thai foreign minister and a senior military official was cordial, agreement was reached only "in principle" that solutions should be found for long-standing differences.

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Bolivia: Obstacles to Coca Crop Substitution

In an effort to curtail the production of coca and the flow of cocaine, the Bolivian government, with assistance from the US, is attempting to implement a large-scale crop substitution program. Still in the embryonic stage, the program faces serious, and perhaps insurmountable, obstacles.

Coca production has been an integral part of the cultural and economic life of Bolivia for hundreds of years; it is ideally suited to the harsh environment and rugged terrain of the country. The plant requires virtually no cultivation and can be harvested up to four times a year. Although middlemen receive most of the profits from coca production, the *campesinos* nonetheless are financially dependent on their earnings from the crop.

Another aspect of the problem concerns the suitability of alternative crops. Sugar, coffee, cotton, certain fruits, and other products have been tentatively suggested, but none are as inexpensive and easy to grow as coca. Assuming an ideal replacement is found, there is no guaranteed international market.

There is concern that the proposed substitutes are subject to wide price fluctuations. Bolivia's minister of interior, General Pereda, admits that without price guarantees and price stability the government's crop substitution efforts are likely to fail. The resultant alienation and loss of political support from the *campesinos*, in turn, could adversely affect governmental stability.

One group of *campesinos* has already voiced open opposition to the program and intends to resist the government's plan. Nevertheless, Minister Pereda believes the *campesinos'* cooperation can be secured provided that machinery, irrigation, cooperatives, and other forms of

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assistance are supplied. He is also seeking an accord with the US which would assure a stable market with equitable prices for the replacement crops.

It is unlikely, however, that any price agreement can be reached. If the Bolivians are to continue the program, they will have to endure a certain amount of economic risk, social disruption, and political dissatisfaction. At best, crop substitution will be a long time coming. In the interim, coca production is likely to continue to increase.

If crop substitution efforts should fail, the prospects for coca regulation are slim. In many cases, the significant, large-scale coca fields are under the aegis of the same Bolivian "intocables" (untouchables) or mafia figures who control the country's cocaine smuggling networks. These individuals have substantial political and financial resources and are, in effect, beyond the law.

Moreover, neither the amount of coca under cultivation nor the exact location of the fields is presently known, and aerial surveillance methods have not yet been developed. Unlike Mexico and Turkey, helicopters cannot be used effectively in Bolivia for monitoring or eradication programs because of the high altitudes involved.



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Finland: Drug Problem Becoming More Serious

A sharp increase in drug-related crime is causing Finnish political leaders to focus on measures to control a problem that was non-existent in the country 10 years ago. Representatives of nearly all Finnish parties presented written questions in parliament on January 20 requesting the government to report on efforts to suppress drug traffic and increase sentences for drug-related crimes. Some advocated that trafficking in particularly dangerous drugs be considered equivalent to murder.

Finland's current epidemic in drugs is slightly behind most of the country's Scandinavian neighbors, whose drug abuse problems seem to be decreasing. Drug violations reached a peak in Denmark and Sweden in 1973 and in Norway in 1974 but declined in those countries as law enforcement methods and the judiciary came to grips with the problem. Sweden, which had nearly 20,000 known drug-related violations in 1973, reduced the number nearly 25 percent in 1974, and Denmark's nearly 6,000 cases were reduced by almost a thousand during the same period. Norway, with a much smaller problem, peaked in 1974 at nearly 2,000 cases, but dramatically reduced the number the next year.

Finland, on the other hand, experienced an enormous increase during 1973-74, going from 13,624 cases to 21,173. More current statistics were not available, but the recent parliamentary attention suggests that drug abuse is still on the rise there. Finnish leaders are aware of the need to concentrate more resources on the problem, and the legislators who questioned the government last month pointed to the lack of law enforcement personnel experienced in drug problems.

In addition to directing more resources to the problem, Finland also might seek help from the other countries in the Nordic Council. The Council, which

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includes the five Nordic states, is responsible for the establishment of a common customs area, labor exchange, welfare pooling, and a number of other cooperative policies limited to the Nordic area. The international aspect of drug trafficking adds to the need for close, joint action to curb the problem and Finland might benefit through advice and training from its neighbors, who seem to have at least turned the corner on their domestic drug problems.

The seizure of 20 kilograms of heroin at the Helsinki airport during one week in December has sharpened the focus of official attention in Finland on the domestic drug situation.

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Golden Triangle: An Appraisal of the 1976
Narcotics Traffic

The year 1976 can be described as a turning point in the struggle against narcotics trafficking in the Golden Triangle. Anti-narcotics operations by the Burmese and Thai governments has significantly reduced the amount of narcotics reaching the border area and placed severe financial strains on many traffickers. Nevertheless, sufficient stocks of raw and refined opiates appear to be available in the Burma-Thailand border area to meet current local and international requirements.

The raw opium harvest in the Golden Triangle during 1976 declined by about 4 percent below the level of 1975. Much of this decline was due to poppy destruction efforts by the Burmese government which reduced potential output by 60 tons in that country. Of greater significance, however, is the fact that total raw opium shipments to the Burma-Thailand border from the producing areas of Burma declined sharply during 1976. Through the first nine months of the year, a total of 127 tons had arrived at the border compared to 190 tons during the same period of 1975.

Anti-narcotics operations by the Burmese army have been a factor in the decline. Heavy losses were inflicted on several large caravans and opium staging areas. Traffic by the Kachin Independence Army (KIA) has been practically curtailed, while that of the 3rd Chinese Irregular Force (CIF) has been severely restricted. The Shan United Army (SUA) has also sustained considerable losses in their operations out of the northern Shan State.

The SUA has displaced the 3rd CIF as the top trafficking organization in the Golden Triangle, accounting for about 30 percent of the traffic in 1976. However, the 3rd and 5th CIF organizations still accounted for a

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combined 25 percent of the raw opium traffic. Interestingly enough, the 5th CIF, which primarily operates over the old traditional Kengtung to Tachilek, Burma, smuggling route, purchases a very large portion of its raw opium from agents and/or traders representing the Burmese Communist Party (BCP). During the first nine months of 1976 at least 13 tons of BCP-produced raw opium had been shipped to the border by elements of the 5th CIF.

Most of the raw opium shipped to the Burma-Thailand border area is now converted into finished narcotics, primarily No. 3 and No. 4 heroin by numerous refineries located in the area. At least 36 percent of 1976 raw opium shipments were delivered directly to heroin refineries. Although total heroin production statistics are not readily available, indications of a significant increase in production during 1976 were apparent. Reported shipments of No. 4 heroin from border refineries totaled 1,700 kilograms during the first nine months of 1976 as compared with 700 kilograms during the same period in 1975 and a total of 1,500 kilograms for the entire year 1975. Of the No. 4 heroin reportedly shipped from the border area, 36 percent was destined for consumer markets in Burma. Bangkok was the major market for at least 20 percent of the shipments.

The quantity of No. 4 heroin entering the international market is difficult to determine. However, seizures are being reported with much greater frequency than in previous years. This increase in seizures indicates that a larger share of No. 4 heroin is entering the world market. In the US, for example, between mid-August and early October 1976, about 24 kilograms of No. 4 heroin of Southeast Asian origin was seized. Nevertheless, it now appears that a large share of the No. 4 heroin produced in the Golden Triangle is actually being consumed within Southeast Asia. For example, recent reports indicate that No. 4 heroin requirements for addicts in Bangkok totaled about 4,600 kilograms annually. Although the total requirements for No. 4 heroin in Southeast Asia are not known, reported export totals thus far in 1976 appear to understate significantly the actual quantities involved.

Europe is being deluged with large quantities of No. 3 heroin of Southeast Asian origin. Production

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estimates for this type of heroin are also unavailable. However, reports of large seizures throughout Europe would indicate a very high level of output in 1976. A new type of No. 3 heroin, called Pai Lung Chu or White Dragon Pearl, has been developed for the European market. This heroin has a purity of between 50 and 75 percent as compared to the 95 to 99 percent purity of No. 4 heroin. Pai Lung Chu can be either smoked or injected.

A general downturn in the narcotics traffic had been noted during the last quarter of 1976. There were no large-scale narcotics transactions reported in the border area as most traffickers appeared to be assessing the intentions of the new Thai government with respect to its anti-narcotics stance. [REDACTED]

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[REDACTED] This has resulted in the accumulation of large stocks of raw opium and refined narcotics in the border area and further depressed prices, resulting in severe financial hardships for many traffickers. The prices of most narcotics are selling well below the levels of the previous year.

The success of Thai anti-narcotics efforts will depend in the long run upon the determination of that government to eliminate the bases used by the major trafficking organizations within Thailand. Efforts are reportedly being made to force the SUA from Thai soil. However, unless the Thai government also moves against the CIF and coordinates its anti-narcotics efforts with those of the Burmese government, only a temporary respite can be expected. [REDACTED]

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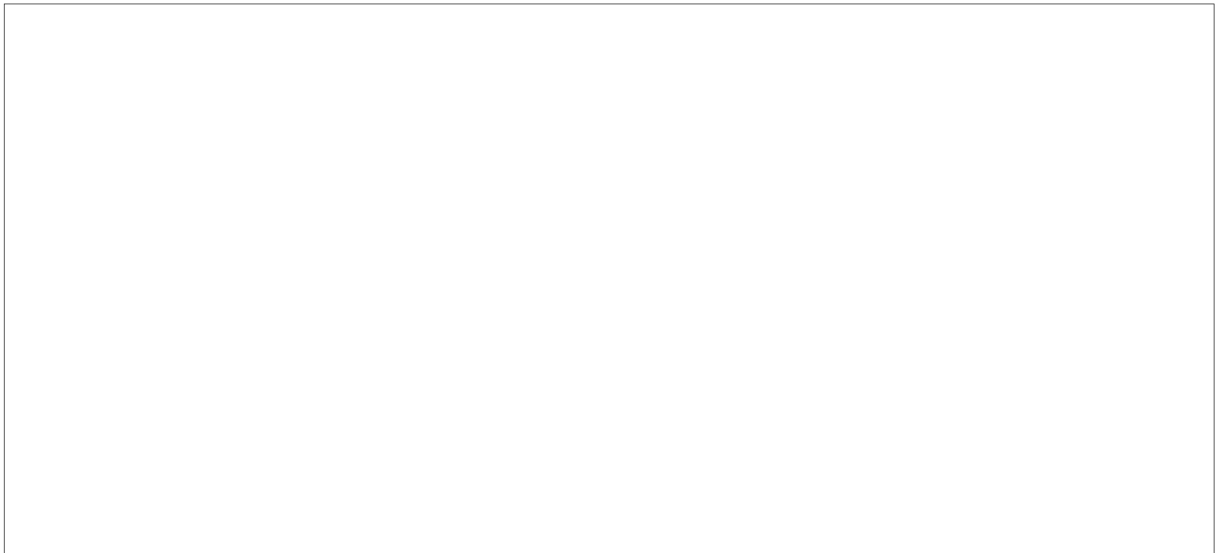
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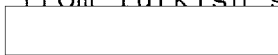
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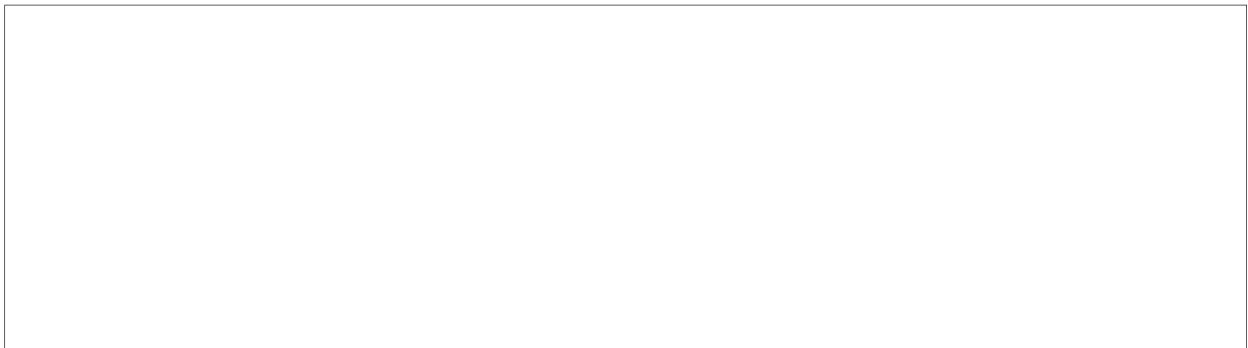


IRAN: Iranian officials have become increasingly aware of the problem of illicit drug trafficking both internally and from external sources. During the past year, Iranian authorities have estimated that 20 to 30 percent of the legal opium production in Iran--about 244 tons per year--is being diverted to illicit domestic markets. Some Iranians claim this figure may run as high as 50 percent. During the past year, heroin processing plants have extended eastward from the Turkish border to the Pakistan and Afghanistan borders, signaling a shift in illegal drug supplies from Turkish sources to Pakistani and Afghan sources.

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NETHERLANDS: Deputy Prime Minister Van Agt stated recently in an airport press conference following his two-week trip to Hong Kong and Bangkok that he would try to obtain Dutch development aid funds to encourage opium poppy growers in northern Thailand and Burma to plant alternative crops. American representatives at The Hague doubt that he will succeed. Van Agt also announced that agreement had been reached with Hong Kong authorities for the return of Hong Kong Chinese illegally resident in the Netherlands; that a conspiracy act is under preparation in The Hague; that he had made a number of technical agreements while in Hong Kong and Thailand; and that a major share of the "20,000 kilos" of heroin brought into Europe annually is being distributed through the Netherlands. The Director, General of Police who accompanied Van Agt on his recent trip emphasized that the 20,000 kilo figure was "no misquote" by the reporters. [REDACTED]

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GREECE: A law passed by the Greek Parliament in December provides that narcotics offenders will no longer be tried before mixed criminal courts but before five-member courts of appeals. The new procedure is intended to shorten pre-trial proceedings. [REDACTED]

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